

General Assembly

Substitute Bill No. 212

February Session, 2006

____SB00212ENV___040606____

AN ACT CONCERNING BIOMASS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. Subdivision (26) of subsection (a) of section 16-1 of the
- 2 2006 supplement to the general statutes is repealed and the following
- 3 is substituted in lieu thereof (*Effective October 1, 2006*):
- 4 (26) "Class I renewable energy source" means (A) energy derived
- 5 from solar power, wind power, a fuel cell, methane gas from landfills,
- 6 ocean thermal power, wave or tidal power, low emission advanced
- 7 renewable energy conversion technologies, a run-of-the-river
- 8 hydropower facility provided such facility has a generating capacity of
- 9 not more than five megawatts, does not cause an appreciable change in
- the river flow, and began operation after July 1, 2003, or a <u>sustainable</u>
- 11 biomass facility [, including, but not limited to, a biomass gasification
- 12 plant that utilizes land clearing debris, tree stumps or other biomass
- 13 that regenerates or the use of which will not result in a depletion of
- 14 resources, provided such biomass is cultivated and harvested in a
- sustainable manner and the] with an average emission rate [for such
- 16 facility is] of equal to or less than .075 pounds of nitrogen oxides per
- 17 million BTU of heat input for the previous calendar quarter, except
- 18 that energy derived from a <u>sustainable</u> biomass facility with a capacity
- 19 of less than five hundred kilowatts that began construction before July
- 20 1, 2003, may be considered a Class I renewable energy source,

- 21 [provided such biomass is cultivated and harvested in a sustainable
- 22 manner, or (B) any electrical generation, including distributed
- 23 generation, generated from a Class I renewable energy source.
- Sec. 2. Subsection (a) of section 16-1 of the 2006 supplement to the
- 25 general statutes is amended by adding subdivision (45) as follows
- 26 (*Effective October 1, 2006*):
- 27 (NEW) (45) "Sustainable biomass" means biomass that is cultivated
- and harvested in a sustainable manner. "Sustainable biomass" does not
- 29 mean construction or demolition wood, finished biomass products
- 30 from sawmills, paper mills or stud mills, organic refuse fuel derived
- 31 separately from municipal solid waste, or biomass from growth timber
- 32 stands, except where (A) such biomass is used in a facility that receives
- 33 funding from the Renewable Energy Investment Fund established
- 34 pursuant to section 16-245n of the 2006 supplement to the general
- 35 statutes, and (B) the energy derived from such biomass is subject to a
- 36 long-term power purchase contract pursuant to subdivision (2) of
- 37 subsection (j) of section 16-244c.
- Sec. 3. Section 16-245a of the 2006 supplement to the general statutes
- 39 is repealed and the following is substituted in lieu thereof (Effective
- 40 *October* 1, 2006):
- 41 (a) [(1) On and after January 1, 2004, an electric supplier and an
- 42 electric distribution company providing transitional standard offer
- 43 pursuant to section 16-244c shall demonstrate to the satisfaction of the
- 44 Department of Public Utility Control that not less than one per cent of
- 45 the total output or services of such supplier or distribution company
- shall be generated from Class I renewable energy sources and an
- 47 additional three per cent of the total output or services shall be from
- 48 Class I or Class II renewable energy sources. On and after January 1,
- 49 2005, not less than one and one-half per cent of the total output or
- 50 services of any such supplier or distribution company shall be
- 51 generated from Class I renewable energy sources and an additional
- 52 three per cent of the total output or services shall be from Class I or

53 Class II renewable energy sources.] On and after January 1, 2006, an 54 electric supplier and an electric distribution company providing 55 standard service or supplier of last resort service, pursuant to section 56 16-244c, as amended, shall demonstrate that not less than two per cent 57 of the total output or services of any such supplier or distribution 58 company shall be generated from Class I renewable energy sources 59 and an additional three per cent of the total output or services shall be 60 from Class I or Class II renewable energy sources. On and after 61 January 1, 2007, not less than three and one-half per cent of the total 62 output or services of any such supplier or distribution company shall 63 be generated from Class I renewable energy sources and an additional 64 three per cent of the total output or services shall be from Class I or 65 Class II renewable energy sources. On and after January 1 2008, not 66 less than five per cent of the total output or services of any such 67 supplier or distribution company shall be generated from Class I 68 renewable energy sources and an additional three per cent of the total 69 output or services shall be from Class I or Class II renewable energy 70 sources. On and after January 1, 2009, not less than six per cent of the 71 total output or services of any such supplier or distribution company 72 shall be generated from Class I renewable energy sources and an 73 additional three per cent of the total output or services shall be from 74 Class I or Class II renewable energy sources. On and after January 1, 75 2010, not less than seven per cent of the total output or services of any 76 such supplier or distribution company shall be generated from Class I 77 renewable energy sources and an additional three per cent of the total 78 output or services shall be from Class I or Class II renewable energy 79 sources.

[(2)] (b) An electric supplier or electric distribution company may satisfy the requirements of [this subsection] <u>subsection</u> (a) of this <u>section</u> by [(A)] (1) purchasing [Class I or Class II renewable energy sources within the jurisdiction of the regional independent system operator, or* within the jurisdiction of New York, Pennsylvania, New Jersey, Maryland, and Delaware, provided the department determines such states have a renewable portfolio standard that is comparable to

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87 this section] electricity generated by a Class I or Class II renewable 88 energy source located within the jurisdiction of the regional independent system operator, or (2) purchasing certificates issued by 89 90 the New England Power Pool generation information system, which 91 certificates are (A) for electricity produced by a generating unit (i) using a Class I or Class II renewable energy source, and (ii) located 92 93 within the jurisdiction of the regional independent system operator, or 94 (B) for electricity imported into the regional independent system 95 operator control area pursuant to an external transaction for the output 96 of a particular renewable energy resource identified in the regional 97 system operator's market settlement system for purposes of the 98 generation information system, that reflects the attributes of the 99 renewable energy generating unit generating such electricity if (i) such generating unit produces electricity using a Class I or Class II 100 101 renewable energy source; (ii) such electricity is imported from such 102 generating unit in an adjacent control area into the regional system 103 operator control area with transmission rights over the ties to the regional system operator; (iii) such electricity is actually settled in the 104 105 market settlement system; (iv) the electric supplier or electric 106 distribution company importing such electricity has registered the applicable generating unit in the generation information system; and 107 (v) such electric supplier or electric distribution company provides the 108 109 generation information system administrator with evidence, which has 110 been independently verified by the generation information system 111 administrator, that (I) the generating unit actually generated such electricity, (II) there is a North American Electric Reliability Council 112 tag for such electricity, which tag meets the requirements of the 113 114 independent system rules for external transactions for electricity and the requirements of the adjacent source system operator, and (III) the 115 seller of such electricity has certified that the specified attributes have 116 117 not been and will not be otherwise sold, retired, claimed, represented 118 as part of electricity sold elsewhere or used to satisfy obligations of 119 another system operator; or [(B)] (3) by participating in a renewable 120 energy trading program within said jurisdictions as approved by the 121 Department of Public Utility Control.

- 122 [(3)] (c) Any supplier who provides electric generation services solely from a Class II renewable energy source shall not be required to comply with the provisions of this section.
 - [(b)] (d) An electric supplier or an electric distribution company shall base its demonstration of generation sources, as required under subsection (a) of this section on historical data, which may consist of data filed with the regional independent system operator.
- 129 [(c)] (e) (1) A supplier or an electric distribution company may make 130 up any deficiency within its renewable energy portfolio within the first 131 three months of the succeeding calendar year or as otherwise provided 132 by generation information system operating rules approved by New 133 England Power Pool or its successor to meet the generation source 134 requirements of subsection (a) of this section for the previous year.
 - (2) No such supplier or electric distribution company shall receive credit for the current calendar year for generation from Class I or Class II renewable energy sources pursuant to this section where such supplier or distribution company receives credit for the preceding calendar year pursuant to subdivision (1) of this subsection.
 - [(d)] (f) The department shall adopt regulations, in accordance with the provisions of chapter 54, to implement the provisions of this section.

| This act shall take effect as follows and shall amend the following sections: | | |
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| Section 1 | October 1, 2006 | 16-1(a)(26) |
| Sec. 2 | October 1, 2006 | 16-1(a) |
| Sec. 3 | October 1, 2006 | 16-245a |

ET Joint Favorable Subst.

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